

MicroVote
GENERAL CORP.
ELECTION SOLUTIONS

September 26, 2005

To: Mr. Robert J. Sachs, Procurement Officer
Department of Administration
Division of Purchases
Landon State Office Building, 900 SW Jackson St., Room 102N
Topeka, KS 66612-12

From: James Ries
President, MicroVote General Corp.
6366 Guilford Ave.
Indianapolis, IN 46220

Re: RFP #08455

Dear Mr. Sachs:

Thank you for the opportunity to submit this Best and Final Offer for RFP #08455.

Attached is a summary list of items we would readily agree to as result of discussions in the Secretary of State's office on September 20th, 2005. Also included are clarifications to questioned issues regarding machine maintenance costs, details of services performed by MicroVote included in the initial purchase price, and educational materials forthcoming to accompany a delivered voting system.

We look forward to a positive response on your decision. If any questions arise from this document, please do not hesitate to call me direct at 1-800-257-4901 or by e-mail at jmr@microvote.com.

Sincerely,

James Ries, Jr
President, MicroVote General Corporation

Guarantees On Behalf of MicroVote General Corporation

1. Input / Output Interaction with “ELVIS”.

MicroVote General assumes all cost and production of required interaction with the “ELVIS” software application to receive candidate filings and to output candidate vote total uploads to the State of Kansas. However it should be noted that MicroVote shall not be held responsible if failure to comply is due to a lack of cooperation by the vendor responsible for “ELVIS”.

2. Legacy MV464 Customer Replacement Value

(Value Restricted to only Sedgwick and Butler Counties)

MicroVote agrees to reduce the unit price of any Infinity Voting panel purchased by the State for either county by \$100 per unit. MicroVote will also extend this price reduction beyond the required number of units to meet HAVA compliance and up to the total number of MV464 units the county currently owns and operates. It should be noted that this offer is not a “buy back” value; the county will continue to own and maintain the MV464 units. MicroVote is not required to receive, remove, or dispose of any MV464 units.

3. Additional Promotional and Instructional Materials

MicroVote will supply at no additional cost to the State or county additional materials to help visualize and operate the accessibility features of the MicroVote Infinity. These materials will come in form of printed documents and supplied in electronic format so they may be reproduced by the county at their cost without a fee owed to MicroVote.

Infinity Maintenance Cost Projection and Recommendations

MicroVote General Corporation has never charged a county a machine maintenance agreement in our 20-plus years of operation. Such plans are financially biased toward the vendor and contradict our philosophy of optimum independence from the vendor. According to our records, our longest standing Infinity customer (since 1998) has never paid for a machine repair.

If a county would prefer to have an appropriate amount of money in budget for necessary non-warranty repairs (physical damage occurred during operation by poll worker, voter, or programmer) MicroVote recommends an annual amount of \$1,500. (The most expensive repair to the Infinity unit is a complete screen replacement and the cost to the customer is less than \$300). NOTE: This is not an

amount owed to MicroVote and may be encumbered for the following year's maintenance if no repairs are required. It should also be noted that during the warranty period, warranty repairs covered by MicroVote do not include the cost of shipping if required. For example, the total cost of an insured shipment of one Infinity unit from Sedgwick County to MicroVote and back is \$ 47.48. Usually units are picked up and delivered by MicroVote employees at no cost to the county in the course of visits to the county

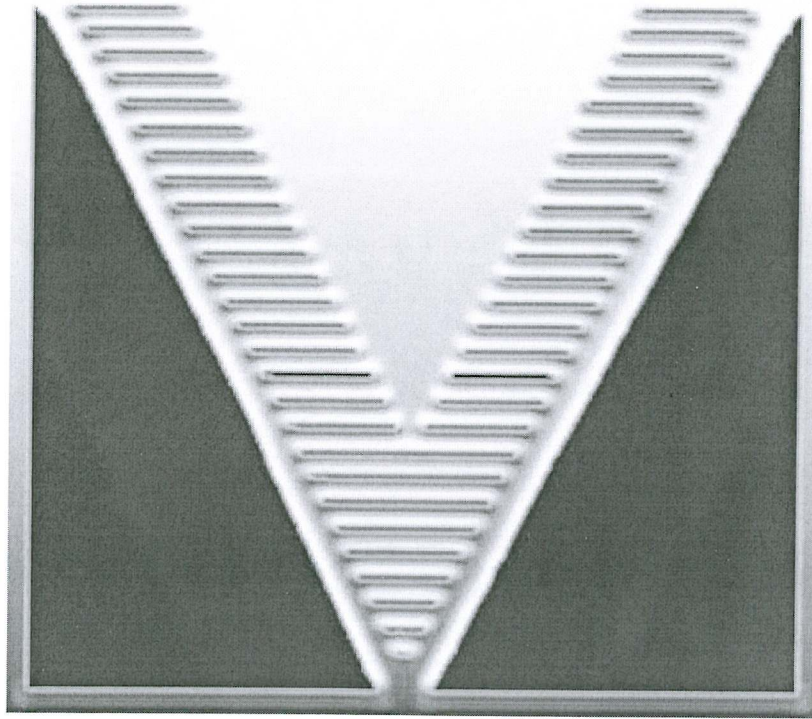
Clarification of Services Included in the Initial Infinity System Cost

NOTE: Service fees listed on the attached "MicroVote Commodity Group Pricing Sheet" are not charged to the county unless the county requires or desires additional training after two countywide elections have been conducted.

The following MicroVote services are included in the initial purchase price:

1. In-house training of programming staff or personal or those designated as system operators by county officials for two countywide elections. If the county decides that training would be better conducted at MicroVote's Indianapolis headquarters, the county would be responsible for transportation, though MicroVote would assume the expenses for lodging and meals. This training includes database creation, panel programming, election night tabulation, and media presentations including printed reports and internet html uploads.
2. MicroVote personnel will be on-site to conduct poll worker classes as they pertain to the operation of the voting equipment for two countywide elections. We prefer that by the second election county officials are conducting instruction to poll workers classes with MicroVote personnel serving as assistants.
3. MicroVote supplies on-site Election Day support personnel for two countywide elections. The size of the county dictates the number of personnel we feel to be appropriate.

MICROVOTE GENERAL CORP.



STATE OF KANSAS

Robert J. Sachs, Procurement Officer

DEPARTMENT OF ADMINISTRATION

DIVISION OF PURCHASES

LONDON STATE OFFICE BUILDING, 900 SW JACKSON ST., RM 102N, TOPEKA, KS 66612-12

Request for Proposal

RFP# 08455

COST PROPOSAL

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10.1. Cost Proposal Summary

Cost proposal information provided in the following Commodity Groups is derived from the total cost of ownership for one (1) MicroVote Infinity Voting Panel, either as a HAVA Voting Device or Non HAVA Voting Device. Due to system design and functionality, all peripheral equipment listed within each of aforesaid systems, must be purchased as part of that system. Increasing the number of units a jurisdiction may opt to purchase will not necessarily increase the number of peripheral equipment needed. For example, EMS software, Dell workstations, Ballot Scanner, ABS Ballot Printer, Smart Card Reader and UPS would be required at the administrative level for ballot design, programming, and tally reporting functions and would not be effected by quantity purchases of voting equipment unless the jurisdiction desired additional equipment for purchase. Ballot printers w/ Precinct Kits and Transport media devices would be determined based on the number of units a jurisdiction requests to purchase.

All warranty and annual maintenance agreements are outlined and are included in the initial price of the voting unit for the 18 month period. The annual software maintenance agreement and pricing outlined in SG1 and SG2 within this Cost Proposal shall apply after the 18 month warranty period.

Pricing for each voting unit was derived from an estimated 2000 units being sold for HAVA compliance to the State of Kansas; however, since it is not possible to calculate the number of units that will be sold as a part of this RFP, totals for each Commodity grouping is not computed. It is for this reason that software has been listed as a separate entity and not included in per unit cost of ownership.

MGC has provided all costs associated with total ownership of the system excluding the purchase of any items that may be associated with the purchase of additional voting units not required of HAVA compliance. MGC will not impose any additional costs on the State of Kansas or any jurisdiction within the State that has not been discussed in this RFP.

10.2. Commodity Grouping

ATTACHMENT C KSS Voting Equipment

COMMODITY GROUP ONE

Item		Description	Model	Volume	Unit Price	Extended Price	Warranty Period (YRS)	Annual Maint. \$	10 Year Maint. \$
HAVA Voting Device	Type 1	Infinity Voting Panel w/ Text-to-speech conversion synthesizer	Infinity VP-1Revision C/Double Talk LT	1 per Precinct	\$3,387.00		18 months	N/A	N/A
Peripheral Equipment	Headphones								
	Smart cards	Removeable Vote Storage/Transport Media	MPEMV128 #95767	2	\$15.00	\$30.00	18 months	N/A	N/A
Smart Cards		Removeable Voting Device Activation Media	MPEMV16k #95768 MPEMV16k #95769	2	\$7.00	\$14.00	18 months	N/A	N/A
	Printer	Paper Ballot Printer w/ Precinct Kit (Precinct use)	DPU-414-30B	1 per Precinct	\$363.00		18 months	N/A	N/A
Other		EMS application - ballot preparation, vote tally and reporting	EMS v..3.0.0	1	\$40,000.00			\$5,500.00	\$55,000.00
		Smartcard Reader	GCR410	2	\$74.00	\$128.00	18 months	N/A	N/A
		CPU required for EMS applications	Dell Workstation	2	\$2,250.00	\$4,500.00	36 months	N/A	N/A
		Uninterruptable Power Supply (UPS)	ES350	1	\$150.00		18 months	N/A	N/A
Non HAVA Voting Device									
Type 1		Infinity Voting Panel	Infinity VP-1 Revision C	1	\$3,150.00				
Peripheral Equipment									
Smart cards		Removeable Vote Storage/Transport Media	MPEMV128 #95767	2	\$15.00	\$30.00	18 months	N/A	N/A
Smart Cards		Removeable Voting Device Activation Media	MPEMV16k #95768 MPEMV16k #95769	2	\$7.00	\$14.00	18 months	N/A	N/A
Printer		Paper Ballot Printer w/ Precinct Kit (Precinct use)	DPU-414-30B	1 per Precinct	\$363.00		18 months	N/A	N/A
Other		EMS application - ballot preparation, vote tally and reporting	EMS v..3.0.0	1	\$40,000.00			\$5,500.00	\$55,000.00
		Smartcard Reader	GCR410	2	\$74.00	\$128.00	18 months	N/A	N/A
		Ballot Printer for Absentee Balloting System (ABS)	HP LaserJet - M5200	1	\$1,500.00		18 months	N/A	N/A
		CPU required for EMS applications	Dell Workstation	2	\$2,250.00	\$4,500.00	36 months	N/A	N/A
		Uninterruptable Power Supply (UPS)	ES350	1	\$150.00		18 months	N/A	N/A
Tabulation Equipment									
Type 1		Ballot Scanner - Normal Speed - for ABS	ACP2200	2	\$2,400.00	\$4,800.00	18 months	N/A	N/A
Type 2									
Other									
SUBTOTAL COMMODITY GROUP ONE									

COMMODITY GROUP TWO

Item	Description	Volume	Unit Price	Extended Price
Voting Device Testing				
Voting Device Servicing				
Other				
Consumable Item 1 [In1]				
Consumable Item 2				
Consumable Item 3				
Other				
SUBTOTAL COMMODITY GROUP TWO				.
TOTAL COMMODITY PURCHASE				

SG1

SERVICE GROUP ONE

Service Item	Description	Price	Unit Days/User	Extended Price
HAVA Voting Device				
Installation Consulting				
Installation of equipment				
Other Service				
Non HAVA Voting Device				
Installation Consulting				
Installation of equipment				
Other Service				
Tabulation Equipment				
Installation Consulting				
Installation of equipment				
Other Service				
Training				
HAVA Voting Device	EMS Software/Pollworker Training (2 day minimum)	\$1000.00	Per day	\$2000.00
Non HAVA Voting Device	EMS Software/Pollworker Training (2 day minimum)	\$1000.00	Per day	\$2000.00
Tabulation Device				
Documentation				
HAVA Voting Device				
Non HAVA Voting Device				
Tabulation Device				
Other Service				
	TOTAL SERVICE GROUP ONE			

SERVICE GROUP TWO

[illegible]

10.3. *Additional Costs from Minimum Requirements Checklist*

MGC's will not introduce any extended hidden costs or costs associated with any minimal requirement changes that have not been previously discussed or agreed to as a result of this RFP.